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WISCONSIN ECONOMIC INDICATORS

DECEMBER 1985

DILHR

DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCE
L1	Composite Index of Leading Indicators	Wis.Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wis. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wis. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wis. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wis. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wis. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wis. Department of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Securities Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wis. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wis. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wis. Department of Health and Social Services
X2	Death Registgrations	Wis. Department of Health and Social Services
X3	Natural Net Gain in Population	Wis. Department of Health and Social Services
X4	Marriage Registrations	Wis. Department of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wis. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wis. Dept. of Industgry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the Census Method II Seasonal Adjustment Program. The adjusted data are plotted on arithmetic scales.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Standard Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading or coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically. The indicators are grouped by cyclical timing.

COVER PHOTO: Courtesy of Wisconsin Division of Tourism.

THE WISCONSIN ECONOMY

SUMMARY FOR NOVEMBER

WHILE WISCONSIN'S EMPLOYMENT LEVEL DECREASED AT ABOUT THE NORMAL NOVEMBER PACE, UNEMPLOYMENT AND THE LABOR FORCE SIZE HAD UNUSUAL GROWTH.

THE TRENDS OF THE LEADING INDICATORS DURING THE OCTOBER TO NOVEMBER PERIOD ARE MIXED AND SHOW NO CONSOLIDATED MOVEMENT.

LEADING INDICATORS

During November, production workers in Wisconsin's manufacturing industries spent an increased average number of hours on the job. Much, but not all, of the longer workweek was a normal seasonal increase. The month's average of 41.8 hours per week is high for any month.

Contributing to the longer workweek was a boost in the average overtime per week. The 0.2 hour increase is above the seasonally normal trend for November. Overtime hours usually decrease slightly then.

While the workweek and overtime increased, the total number of workers employed in manufacturing decreased. The 3,000 employment level drop, however, was well below the seasonal trend. A normal amount would have been a 4,600 decrease for this month.

Manufacturing employment had a weak showing in 1985 and will probably finish the year at levels below the 1984 employment plateau. Only two months in 1985, January and June, had more manufacturing employment than the comparable months of one year earlier.

The average weekly number of initial claims for unemployment compensation jumped by nearly 4 thousand. That's excessive for the October-to-November period. To be on the usual seasonal trend, claims should have increased by less than 1,400 per week.

Initial claims during 1985, however, are averaging about 1,700 less per week than in 1984. And, it is only since June that claims levels have been lower than year-earlier periods. This November's large increase spoils that trend...but, one month is too little evidence of a turn-around.

The number of job openings received in November by state Job Service offices decreased, signaling a slower hiring pace than in the month before. The decrease is less than seasonally normal, however.

WISCONSIN LABOR FORCE

The total number of workers on the job decreased in November by over 12 thousand. Most of the large drop was due to normal November seasonal factors. Thus, the trend was down, but only a bit.

The usual labor market scenario from October to November is a large decrease in employment along with a large number of workers withdrawing from the labor market. That was not the case this November. When the number of job seekers should have declined, unemployment increased by over 13 thousand. November's large unemployment growth meant a labor force that grew by 800 instead of decreasing by the seasonally normal several thousand.

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	% CHANGE Yr/Ago	AVG. 1984
LEADING INDICATORS								
L1 COMPOSITE INDEX OF LEADING INDICATORS								
Seasonally Adjusted	INDEX	88.8	Nov	89.2	72.0	-0.4	23.3	70.1
L2 AVG. WORK WEEK, MFG.								
Unadjusted	HOURS	41.8	Nov	41.1	40.2	1.7	4.0	41.1
Seasonally Adjusted		41.5		41.3	39.9	0.5	4.0	
L3 AVG. OVERTIME HOURS, MFG.								
Unadjusted	HOURS	3.7	Nov	3.5	2.8	5.7	32.1	3.2
Seasonally Adjusted		3.6		3.4	2.7	5.9	33.3	
L4 AVG. WEEKLY INITIAL CLAIMS								
Unadjusted	NUMBER	12,137	Nov	8,179	13,601	48.4	-10.8	10,817
Seasonally Adjusted		9,989		7,864	11,195	27.0	-10.8	
L5 TOTAL JOB OPENINGS REC.								
Unadjusted	NUMBER	7,683	Nov	8,657	7,468	-11.3	2.9	8,694
Seasonally Adjusted		9,157		8,683	8,902	5.5	2.9	
L6 NEW BUSINESS INCORPORATIONS								
Unadjusted	NUMBER	503	Nov	568	541	-11.4	-7.0	562
Seasonally Adjusted		521		583	560	-10.6	-7.0	
L7 NET GAIN IN BUSINESS PHONES ACCESS LINES								
Unadjusted	NUMBER	338	Nov	995	1,333	-66.0	-74.6	328
Seasonally Adjusted		1,220		1,240	484	-1.6	152.1	
L8 BUILDING PLANS EXAMINED								
Unadjusted	NUMBER	617	Nov	769	566	-19.8	9.0	487
Seasonally Adjusted		633		560	581	13.0	9.0	
ROUGHLY COINCIDING INDICATORS								
C1 HELP-WANTED INDEX (MILW.)								
Seasonally Adjusted	INDEX	56	Nov	57	55	-1.8	1.8	52
C2 UNEMPLOYMENT RATE, TOTAL								
Unadjusted	PERCENT	6.8	Nov	6.3	6.7	-	-	7.4
Seasonally Adjusted		7.2		6.6	7.3	-	-	
C3 NATURAL GAS SALES								
Unadjusted	MIL. THERMS	186.5	Oct	127.0	190.1	46.9	-1.9	252.5
Seasonally Adjusted		236.4		240.5	240.9	-1.7	-1.9	
C4 NEW CAR REGISTRATIONS								
Unadjusted	NUMBER	11,980	Nov	24,712	14,034	-51.5	-14.6	16,066
Seasonally Adjusted		12,825		22,569	15,011	-43.2	-14.6	
C5 ELECTRIC POWER SALES								
Unadjusted	MIL. KWH	1934.6	Oct	1924.6	1963.2	0.5	-1.5	1865.8
Seasonally Adjusted		1911.7		1951.9	1939.5	-2.1	-1.4	
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	MIL. DOL.	111.3	Nov	60.1	93.4	85.2	19.2	89.4
Seasonally Adjusted		90.9		62.2	76.3	46.1	19.1	

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A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	% CHANGE Yr/Ago	AVG. 1984
C7 MANUFACTURING EMPL.								
Unadjusted	THOUS	515.0	Nov	518.0	520.5	-0.6	-1.1	518.3
Seasonally Adjusted		515.0		513.4	520.4	0.3	-1.0	
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	DOLLARS	434.72	Nov	422.10	402.80	3.0	7.9	412.46
Seasonally Adjusted		427.45		425.50	396.05	0.5	7.9	
C9 CASH RECEIPTS FROM FARM MKTG.								
Unadjusted	MIL. DOL.	422.2	Oct	428.2	458.1	-1.4	-7.8	428.0
Seasonally Adjusted		426.0		436.0	462.2	-2.3	-7.8	
C10 CONTRACT CONSTRUCTION EMPL.								
Unadjusted	THOUS.	64.0	Nov	67.7	63.3	-5.5	1.1	58.3
Seasonally Adjusted		58.6		59.9	57.9	-2.2	1.2	
OTHER KEY INDICATORS								
X1 BIRTH REGISTRATIONS								
Unadjusted	NUMBER	6,219	Nov	6,283	5,466	-1.0	13.8	6,101
Seasonally Adjusted		7,003		6,372	6,155	9.9	13.8	
X2 DEATH REGISTRATIONS								
Unadjusted	NUMBER	3,611	Nov	3,417	3,222	5.7	12.1	3,438
Seasonally Adjusted		3,785		3,445	3,378	9.9	12.0	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	NUMBER	2,608	Nov	2,866	2,244	-9.0	16.2	2,663
Seasonally Adjusted		3,232		2,930	2,780	10.3	16.3	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	NUMBER	2,763	Nov	4,732	3,133	-41.6	-11.8	3,420
Seasonally Adjusted		3,370		4,377	3,823	-23.0	-11.8	
X5 CONSUMER PRICE INDEX (MILW.)				(Sep)				
Unadjusted	INDEX	333.9	Nov	332.4	324.3	0.5	3.0	320.6
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	INDEX	132	Nov	130	144	1.5	-8.3	144
Seasonally Adjusted		133		131	145	1.5	-8.3	
X7 NET GAIN IN RESIDENTIAL PHONES ACCESS LINES								
Unadjusted	NUMBER	3,246	Nov	2,683	2,212	21.0	46.7	750
Seasonally Adjusted		1,404		1,342	1,526	4.6	-8.0	
X8 LABOR DISPUTES, NO. OF WORKERS								
Unadjusted	NUMBER	125	Nov	675	640	-81.5	-80.5	520
Seasonally Adjusted		159		435	813	-63.4	-80.4	
X9 UNEMPL. COMPENSATION EXHAUSTEES	NUMBER							
Unadjusted		24,660	Nov	25,593	24,772	-3.6	-0.5	28,186
Seasonally Adjusted		28,215		27,668	28,348	2.0	-0.5	

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B

LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES NOVEMBER	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Unadjusted					
CIVILIAN LABOR FORCE	2393.0	2392.2	2418.6	0.0	-1.1
Employment (Inc. Labor Disputes)	2230.2	2242.6	2256.6	-0.6	-1.2
Unemployment	162.8	149.6	162.0	8.8	0.5
Unemployment Rate	6.8	6.3	6.7	-	-
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2394.3	2381.3	2433.9	0.5	-1.6
Employment (Inc. Labor Disputes)	2222.9	2225.2	2255.8	-0.1	-1.5
Unemployment	171.4	156.1	178.1	9.8	-3.4
Unemployment Rate	7.2	6.6	7.3	-	-

WISCONSIN EMPLOYMENT ESTIMATES NOVEMBER	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	2015.1	2020.2	1991.2	-0.3	1.2
Unadjusted					
Manufacturing	514.9	517.3	519.9	-0.5	-1.0
Mining	1.9	2.1	2.0	-9.5	-5.0
Contract Construction	64.0	67.7	63.3	-5.5	1.1
Transportation and Public Utilities	91.1	91.6	92.6	-0.5	-1.6
Elec., Gas and Sanitary Services	17.2	17.3	17.1	-0.6	0.6
Wholesale Trade	101.5	101.6	102.0	-0.1	-0.5
Retail Trade	379.4	378.6	370.9	0.2	2.3
General Merchandise	51.6	49.0	52.8	5.3	-2.3
Finance, Insurance and Real Estate	107.0	107.2	103.7	-0.2	3.2
Banking	29.0	29.0	28.0	0.0	3.6
Insurance	33.8	33.6	32.7	0.6	3.4
Service and Miscellaneous	421.1	423.4	409.3	-0.5	2.9
Hospitals	66.4	66.5	68.4	-0.2	-2.9
Private Education	25.1	25.2	25.7	-0.4	-2.3
Government	334.3	330.8	327.6	1.1	2.0
State Government	86.1	85.5	84.4	0.7	2.0
Local Government	220.6	217.7	216.4	1.3	1.9

UNITED STATES LABOR FORCE ESTIMATES NOVEMBER	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	116,067	116,159	114,074	-0.1	1.7
Employment	107,927	107,367	105,932	0.1	1.9
Unemployment	8,140	8,291	8,142	-1.8	-0.0
Unemployment Rate	7.0	7.1	7.1	-	-

MANUFACTURING EMPLOYMENT *(Unadjusted)* NOVEMBER	(In Thousands) Latest Month	Month Ago	Year Ago
All Manufacturing (Including Canning)	514.9	517.3	519.9
All Manufacturing (Excluding Canning)	506.3	504.0	511.2
Durable Goods	318.3	316.3	324.5
Lumber and Wood Prod., (Except Furniture)	22.3	22.5	21.0
Sawmills and Planning Mills	3.1	3.2	3.0
Millwork, Veneer, Plywood & Prefab. Wood Prod.	9.9	10.0	9.3
Furniture and Fixtures	11.8	11.6	11.2
Household Furniture	5.3	5.0	4.8
Stone, Clay and Glass Products	7.3	7.4	7.4
Concrete, Gypsum and Plaster Products	3.2	3.3	3.0
Primary Metal Industries	19.5	19.6	20.2
Iron and Steel Foundries	10.8	10.9	11.5
Fabricated Metal Products	49.1	48.5	50.3
Heating Equipment (Except Electrical) & Plumbing Fixtures	4.7	4.8	5.1
Fabricated Structural Metal Products	12.0	12.0	12.0
Metal Stampings	11.8	11.7	12.6
Machinery (Except Electrical)	103.0	101.5	103.9
Engines and Turbines	19.1	18.7	21.0
Farm Machinery and Equipment	13.0	13.0	13.2
Const., Min. & Material Handling Mach. & Equip.	10.7	9.9	11.3
Metalworking Machinery and Equipment	12.4	12.3	11.9
Special Industry Machinery (Except Metalworking)	11.5	11.5	10.9
General Industrial Machinery and Equipment	14.9	14.6	15.2
Service Industry Machines	7.8	7.6	8.0
Electrical Machinery, Equipment and Supplies	49.6	49.6	53.6
Electrical Industrial Apparatus	18.2	18.0	18.2
Household Appliances	6.3	6.5	7.1
Transportation Equipment	34.8	34.5	36.7
Motor Vehicles and Equipment	26.8	26.7	29.9
Instruments and Related Products	10.8	10.8	11.0
Miscellaneous Manufacturing	10.2	10.3	10.4
Nondurable Goods	196.6	200.9	195.4
Food and Kindred Products	61.7	66.2	61.1
Meat Products	14.8	14.7	14.5
Dairy Products	18.9	19.0	17.8
Canning and Preserving	8.6	13.3	8.7
Bakery Products	3.9	3.9	3.9
Beverage Industries	7.9	7.8	8.5
Textile Mill Products	4.7	4.8	4.7
Knitting Mills	3.9	4.0	3.9
Apparel and Other Finished Products	7.0	6.9	6.4
Paper and Allied Products	47.1	47.1	47.0
Pulp and Paper Mills	29.2	29.1	29.2
Converted Paper and Paperboard Products	9.6	9.6	9.6
Paperboard Containers and Boxes	7.0	7.1	7.1
Printing, Publishing and Allied Industries	37.8	37.7	36.9
Newspapers	12.1	12.0	11.7
Commercial Printing	15.6	15.5	15.2
Chemicals and Allied Products	9.8	10.0	9.9
Rubber and Misc. Plastics Products	21.1	20.8	21.0
Miscellaneous Plastics Products	16.9	16.7	16.7
Leather and Leather Products	6.9	7.0	7.9
Leather Tanning and Finishing	1.7	1.7	1.8
Footwear (Except Rubber)	3.6	3.7	4.3
Other Nondurable Goods	-	-	-

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* NOVEMBER	Average Weekly Earnings			Average Weekly Hours		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$435	$422	$403	41.8	41.1	40.2
All Manufacturing (Excl. Canning)	438	429	406	41.9	41.3	40.3
Durable Goods	446	437	412	41.9	41.3	40.2
Lumber/Wood Prod. (Exc. Furn.)	315	310	299	41.5	40.8	40.3
Furniture and Fixtures	323	327	289	41.5	42.0	39.4
Stone, Clay and Glass Products	410	416	379	42.6	43.3	40.5
Primary Metal Industries	428	411	383	42.5	41.6	40.2
Iron and Steel Foundries	443	415	392	43.3	42.0	40.0
Fabricated Metal Products	419	408	396	40.9	40.2	39.4
Fab. Structural Metal Prod.	452	434	412	44.5	43.1	41.4
Metal Stampings	413	403	378	40.3	39.7	37.8
Machinery (Except Electrical)	496	485	471	42.6	41.8	41.2
Engines and Turbines	537	514	511	41.9	40.5	41.4
Farm Machinery and Equip.	549	549	507	42.2	42.5	40.5
Const. and Related Mach.	496	492	477	44.2	42.9	41.7
Metalworking Mach. and Equip.	529	520	480	43.1	42.0	41.7
Spec. Ind. Mach. (Exc. Metal)	515	510	476	44.4	43.9	42.9
Gen. Industrial Mach. and Equip.	501	498	478	41.2	40.9	40.6
Electrical Mach., Equip. and Supp.	404	399	388	40.0	39.7	40.2
Electrical Industrial Apparatus	411	413	427	39.3	39.1	41.5
Transportation Equipment	613	602	511	44.0	43.2	39.3
Instruments and Related Prod.	360	344	349	40.3	38.9	40.3
Nondurable Goods	416	400	387	41.6	40.8	40.1
Food and Kindred Products	383	359	354	40.1	39.3	38.3
Meat Products	360	353	314	40.2	39.3	37.4
Dairy Products	401	397	384	41.2	41.1	40.5
Textile Mill Products	290	283	282	40.1	39.5	40.1
Apparel and Other Fin. Prod.	257	250	231	40.9	40.2	38.2
Paper and Allied Products	553	546	503	46.3	45.8	45.0
Pulp and Paper Mills	592	592	547	46.8	46.8	46.8
Printing, Pub. and Allied Prod.	429	407	411	39.3	38.1	37.8
Chemicals and Allied Products	450	443	455	41.6	40.5	41.6
Rubber and Misc. Plastics Prod.	332	324	316	40.1	39.4	39.0
Leather and Leather Products.	250	252	252	39.3	39.6	37.9

Section

C

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* NOVEMBER	Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	10.40	10.27	10.02	9.96	9.88	9.69
All Manufacturing (Excl. Canning)	10.45	10.38	10.07	10.02	9.98	9.74
Durable Goods	10.65	10.57	10.25	10.24	10.21	9.95
Lumber/Wood Prod. (Exc. Furn.)	7.59	7.59	7.41	7.44	7.46	7.35
Furniture and Fixtures	7.78	7.78	7.34	7.44	7.47	7.28
Stone, Clay and Glass Products	9.63	9.60	9.37	9.37	9.30	9.16
Primary Metal Industries	10.08	9.89	9.53	9.64	9.49	9.24
Iron and Steel Foundries	10.23	9.88	9.81	9.86	9.56	9.55
Fabricated Metal Products	10.25	10.15	10.06	9.85	9.78	9.67
Fab. Structural Metal Prod.	10.16	10.08	9.95	9.61	9.58	9.55
Metal Stampings	10.25	10.14	10.00	9.97	9.90	9.87
Machinery (Except Electrical)	11.64	11.61	11.42	11.28	11.31	11.08
Engines and Turbines	12.82	12.68	12.34	12.34	12.35	11.99
Farm Machinery and Equip.	13.01	12.92	12.52	12.57	12.46	12.21
Const. and Related Mach.	11.22	11.48	11.45	10.95	11.25	11.16
Metalworking Mach. and Equip.	12.28	12.38	11.50	11.74	11.92	11.02
Spec. Ind. Mach. (Exc. Metal).	11.59	11.61	11.10	10.95	10.98	10.56
Gen. Industrial Mach. and Equip.	12.15	12.17	11.78	11.83	11.88	11.43
Electrical Mach., Equip. and Supp.	10.11	10.04	9.66	9.80	9.75	9.47
Electrical Industrial Apparatus	10.45	10.55	10.29	10.19	10.28	10.21
Transportation Equipment	13.94	13.94	13.01	13.22	13.25	12.59
Instruments and Related Prod.	8.94	8.84	8.65	8.80	8.75	8.46
Nondurable Goods	10.00	9.81	9.65	9.48	9.34	9.24
Food and Kindred Products	9.54	9.14	9.24	9.06	8.71	8.86
Meat Products	8.95	8.99	8.39	8.57	8.63	8.13
Dairy Products	9.73	9.65	9.49	9.26	9.21	9.07
Textile Mill Products	7.24	7.17	7.03	7.03	6.96	6.82
Apparel and Other Fin. Prod.	6.28	6.22	6.06	6.08	6.07	6.02
Paper and Allied Products	11.95	11.93	11.17	11.30	11.31	10.70
Pulp and Paper Mills	12.65	12.65	11.68	12.01	12.03	11.17
Printing, Pub. and Allied Prod.	10.92	10.67	10.86	-	-	-
Chemicals and Allied Products	10.82	10.95	10.93	10.54	10.65	10.63
Rubber and Misc. Plastics Prod.	8.28	8.22	8.10	7.97	7.97	7.86
Leather and Leather Products.	6.35	6.37	6.65	6.16	6.19	6.54

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C SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers *(Unadjusted)* NOVEMBER	Average Weekly						Average Hourly Earnings				
	Earnings			Hours			Including O.T.			Excluding O.T.	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$393	$388	$379	40.8	40.7	40.7	9.62	9.54	9.31	-	-
Wisconsin	435	422	403	41.8	41.1	40.2	10.40	10.27	10.02	9.96	9.88
Selected Areas											
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	450	436	416	43.9	43.2	42.3	10.25	10.10	9.83	9.71	9.61
Beloit (City)	410	393	379	43.3	42.1	39.2	9.46	9.34	9.67	-	-
Eau Claire (Eau Claire-Chippewa)	419	431	411	41.2	42.0	41.7	10.16	10.26	9.85	9.80	9.81
Fond du Lac (County)	404	390	400	41.5	40.2	43.4	9.73	9.70	9.22	9.00	8.99
Green Bay (Brown County)	486	473	436	42.9	42.8	40.7	11.33	11.04	10.71	10.50	10.30
Janesville (City)	644	620	489	45.4	43.9	38.0	14.19	14.13	12.87	13.63	13.68
Janesville-Beloit (Rock County)	549	530	442	44.3	43.0	38.3	12.40	12.33	11.55	11.77	11.83
Kenosha (County)	468	470	459	39.1	39.3	38.9	11.96	11.97	11.79	11.64	11.62
La Crosse (County)	363	354	342	40.1	39.5	38.8	9.06	8.95	8.81	8.82	8.76
Madison (Dane County)	397	393	377	41.1	40.7	40.1	9.65	9.65	9.39	9.24	9.27
Manitowoc (County)	364	352	346	38.9	39.0	38.4	9.37	9.02	9.01	9.09	8.73
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	486	469	451	41.8	40.8	40.1	11.62	11.50	11.24	11.04	10.98
Racine (County)	431	425	420	39.8	40.1	39.0	10.84	10.61	10.77	10.49	10.26
Sheboygan (County)	374	372	382	40.0	39.8	39.3	9.35	9.34	9.72	9.15	9.22
Wausau (Marathon County)	404	407	400	41.6	41.6	42.4	9.72	9.78	9.44	9.36	9.38

EMPLOYMENT, MFG. *(Unadjusted)* NOVEMBER	(In Thousands)			Percent Change	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
United States	19,420.0	19,475.0	19,607.0	-0.3	-1.0
Wisconsin	514.9	517.3	519.9	-0.5	-1.0
Selected Areas					
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	48.0	48.5	47.2	-1.0	1.7
Beloit (City)	5.4	5.4	5.7	0.0	-5.3
Eau Claire (Eau Claire-Chippewa)	9.1	9.1	9.3	0.0	-2.2
Fond du Lac (County)	9.6	9.9	10.6	-3.0	-9.4
Green Bay (Brown County)	23.4	23.8	22.8	-1.7	2.6
Janesville (City)	10.9	10.9	11.1	0.0	-1.8
Janesville-Beloit (Rock County)	18.7	18.7	19.1	0.0	-2.1
Kenosha (County)	12.2	12.2	15.8	0.0	-22.8
La Crosse (County)	11.0	11.1	11.1	-0.9	-0.9
Madison (Dane County)	21.6	21.9	20.5	-1.4	5.4
Manitowoc (County)	11.1	11.4	11.5	-2.6	-3.5
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	169.8	167.7	175.7	1.3	-3.4
Racine (County)	25.1	25.1	25.7	0.0	-2.3
Sheboygan (County)	18.1	18.4	19.5	-1.6	-7.2
Wausau (Marathon County)	11.7	11.7	11.1	0.0	5.4

THE WISCONSIN ECONOMY

What Happened in 1985?
What Might Happen in 1986?
by August L. Cibarich

The labor market analyst's corollary to Murphy's Law is: the moment you have data up to date and final, it's revised. Nine tenths of projecting 1986 employment levels for Wisconsin is knowing how many were employed in 1984 and 1985. What really happened in 1985? We don't really know yet!

Before we can anticipate 1986 economic conditions in Wisconsin, we need to know what happened in 1985. However, final data for all of 1985 are not yet available and some 1984 and 1985 revisions are forthcoming. Thus, projecting future employment for the state is like erecting a superstructure on a foundation which the architect keeps altering.

In addition, we have a paradox of vastly different employment growth rates for Wisconsin and the nation as a whole. The difficulty rests in the difference between nonfarm payroll employment and total employment. Total employment includes farm workers, self-employed, unpaid family workers, and domestic workers.

Commissioner of Labor Statistics, Janet Norwood, is quoted in Business Week magazine as saying the Bureau of Labor Statistics has no idea as to why the two series are so far apart.

Since the end of the recession (November 1982), national nonfarm payroll employment has grown 1,300,000 more than total employment. In Wisconsin, the gap is proportionately greater than our two percent share of the nation's 1,300,000 employment difference. Over the three recovery years, nonfarm payrolls have gained 157,600 while total employment has gone up only 66,200. This is a gap three and one half times as large as an equivalent proportion of the national gap.

If we look back to 1984, we find Wisconsin payroll employment increased by 23,900 jobs and total employment decreased by 26,400 employed persons. Over all of 1985, total employment is expected to decline about 8,000 while payroll employment now shows a gain of over 40,000 jobs and is at record levels. Revisions to 1984 and 1985 nonfarm payroll employment are expected to reduce the 1984 to 1985 gain to only 25,000 jobs.

Which is it? Did Wisconsin's economy slump during 1985 and loose 8,000 jobs or did it continue to recover, add 25,000 jobs and employ a record number of individuals on the average for the year?

The payroll employment series has been considered the more reliable of the two employment series. In addition, the small household survey, used to estimate total employment, does not survey Kenosha County, but does use Rock County as a sample county. Thus, we are surveying where Wisconsin is performing relatively better (Rock County) and not sampling where Wisconsin is economically depressed (Kenosha County). This would tend to produce higher total employment levels and lower unemployment levels and does not explain the gap between the two payroll employment series.

As our difference since November of 1982 is proportionately over three times as large as the national difference, it is harder to ignore when assessing our state's progress in 1985 and attempting to forecast conditions during 1986.

If we look at other data we find the unemployment rate and level remaining at about the 1984 level during 1985. It is important to note that the rate, which is also obtained from the small

household survey remained the same because of a drop in labor force size, not because of a gain in total employment. If the labor force had remained constant, the unemployment rate would have risen by three-tenths of a percent.

If we look at state welfare levels, we find total cases are expected to average 3,600 or almost 4.0 percent higher, but the number of welfare cases in the unemployed parent category declined by 400 or 2.4 percent.

The projected state revenue shortfall also does not shed much light on our 1985 economic performance since the shortfall was small during calendar year 1985.

A clear view of 1985's performance does not emerge from the currently available statistics.

1986: What are the Experts Saying About 1986

Some of the nation's most notable economists currently have extremely opposite feelings on where the economy is going in 1986.

Laurence N. Luizzi, a Vice President at E. F. Hutton and Company, contends the economy (nation's) is growing moderately and is "likely to strengthen in coming months".

Gary Shilling, who heads a consulting firm bearing his name, says "I think the economy is running out of steam, and the risk is that it will slide into a recession".

Albert M. Wojnilower, Chief Economist of First Boston Corporation, contends that business is "picking up"...the economy "seems likely" to grow by an inflation-adjusted three percent to four percent next year.

What Will Congress Do In 1986?

Passage of the Gramm-Rudman "budget balance" has advanced the timetable for some very painful decisions which, otherwise, would most likely have been pushed off into the future. The passage of Gramm-Rudman implies that the economy's performance in 1986 will not be just a rerun of 1985, which was, in turn, somewhat like 1984.

A budget cut, tax increase, or both are likely in 1986 if Gramm-Rudman is upheld by the Supreme Court. Repeal, by Congress, would be difficult in an election year. While significant for the selected agencies affected, the overall impact would be moderate compared to the changes necessary in 1987.

Dependent on the Congress' future course of action, fiscal stimulus could be reduced a bit in 1986, the private sector could loose some consumption or investment power or some of both.

Thus, while Gramm-Rudman would impact on the nation's economy in 1986, the impact would be much greater in 1987, making it a much more interesting year as ..."The actions of government seldom produce the consequences intended, and this always comes as a surprise".*

*The DeVoe Letter, as quoted in the January 14, 1986 Wall Street Journal.

What Is The Federal Reserve Bank Likely To Do In 1986?

Most economic forecasts assume the federal reserve, short of retriggering rapid inflation or an international monetary crisis, will increase or decrease the money supply, tighten or loosen credit availability, team up with other central bankers and international monetary organizations, and do whatever is necessary to keep the worldwide industrial economy growing moderately thru 1986. In the worst case, the "feds" will push such consequences off into the future beyond 1986. In short, the "feds" goal would be to make 1986 as much like 1985 and 1984 as possible.

Not much economic change would occur in 1986 based on this forecast assumption.

Summing Up The National Outlook

While some "experts" are optimistic and some are pessimistic, most current national economic forecasts tend to vary within a relatively narrow range. Forecasts generally assume that all will work out "ok" and the industrial world will continue to function relatively smoothly for another year.

Gross national product, unemployment, interest rates, industrial production --all will drift up or down a bit but essentially not much will change.

What Is Wisconsin's Economy Likely To Do In 1986?

So much for national forecasts. What does it all mean for Wisconsin's economic outlook?

At this point, we see no significant improvement or deterioration in 1986.

We expect employment to drift downward and the size of the labor force to start increasing again. Both of these changes would increase the unemployment rate a bit and, taken together, the increase would be about 1.0 percentage point to 8.3 percent.

Expected Change in the Labor Force Figures -- 1985-1986

Level	1984	EXPECTED 1985	PROJECTED 1986
L.F.	2,394,000	2,385,000	2,400,000
Empl.	2,218,000	2,210,000	2,200,000
Unempl.	176,000	175,000	200,000
Un. Rate	7.3%	7.3%	8.3%

However, remember the national economy faces a large number of potential economic crises and the above forecast assumes these would be handled adequately by the nation's and world's public and private financial institutions and governments.

Those crises include liquidation of bad debt in economic areas such as the nation's farm, energy and consumer sectors, as well as foreign debt problems. Trade and fiscal deficit problems are also assumed to be handled with a minimum amount of disruption to the nation's economy.

Failure to prevent, contain, or delay those problems would have significant economic consequences for our state and obsolete this forecast for 1986.

Next month revisions to the 1984 and 1985 nonfarm wage and salary payroll employment series will be completed. Changes will be reported and discussed next month in another Wisconsin Economic Indicator article.

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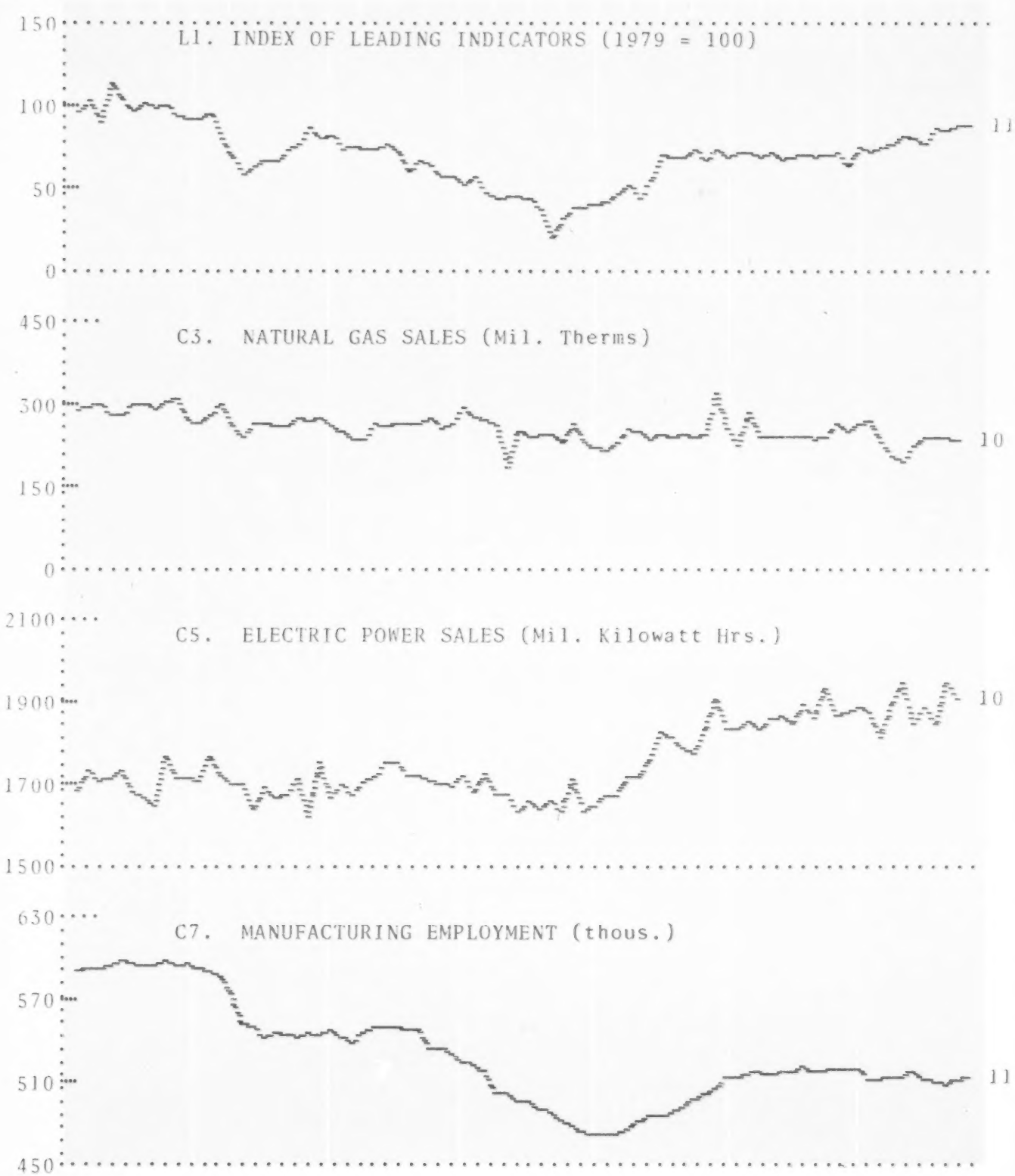

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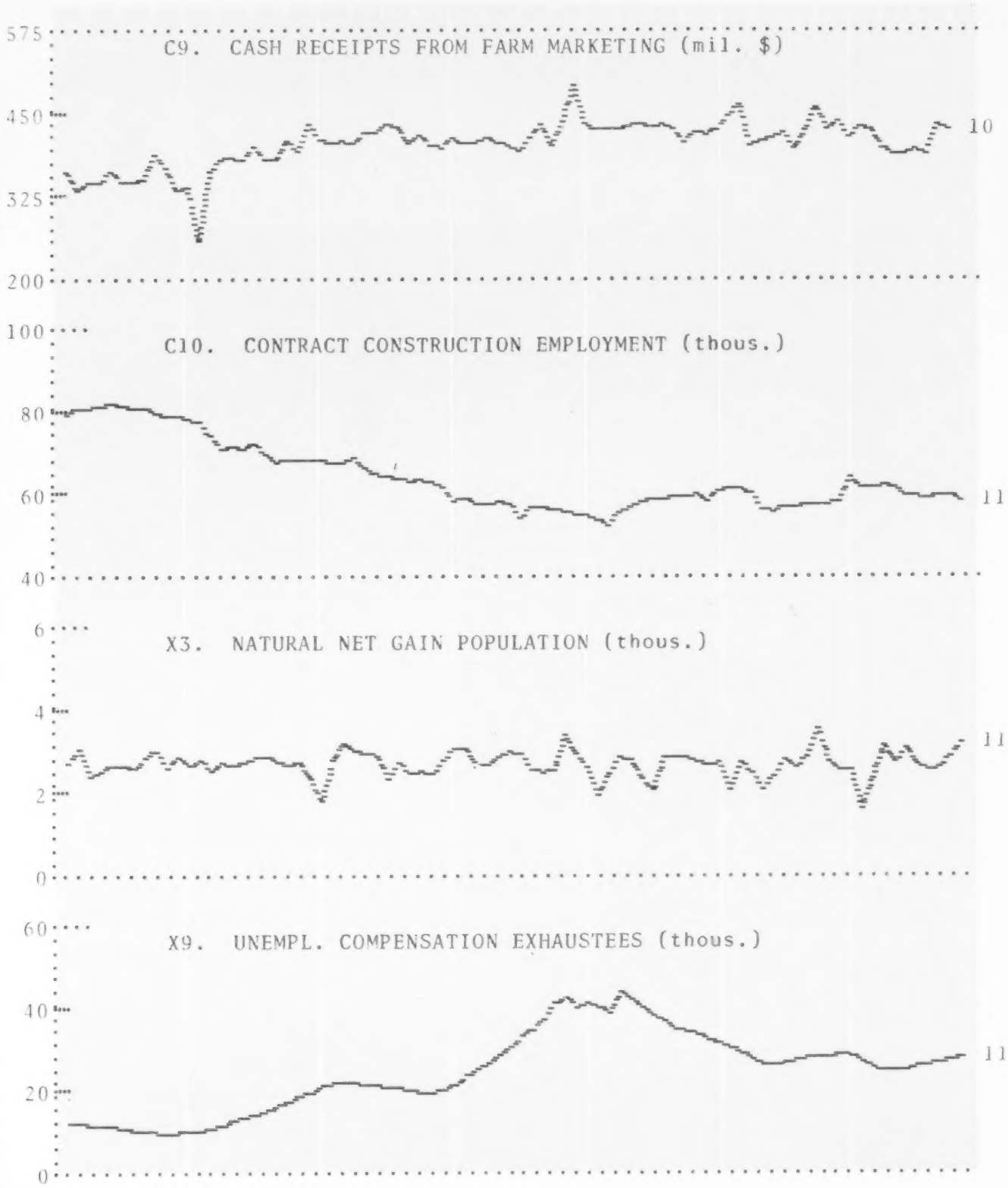

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